

# Bar Code Data Collection Systems

## The benefits speak for themselves

Over the years I have seen many clients benefit from the implementation of Bar Code Data Collection Systems. In this paper we will look at some of the savings to be realised and how your business can benefit.

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In today's competitive marketplace, the primary focus of many organizations is to reduce the costs associated with operations and customer service. Any business that would benefit by reducing inventory; reducing inventory handling errors; and capturing data in real-time to enable *lean* operations should seriously consider implementing a Bar Code Data Collection system for inventory management and data acquisition.

Bar Code Data Collection can provide you with tangible benefits that quickly and dramatically improve your warehouse operations and increase material management efficiencies without adding to headcount.

## Return on Investment (ROI)

To put it simply many companies of all sizes apply Bar Code Data Collection systems to save time, increase efficiency and cut operating costs.

As technology standards have improved and costs have fallen Bar Code Data Collection systems are now affordable and practical for more businesses than ever before. Investment in Bar Code Data Collection is a proven way to enhance the productivity of your business.

As a potential user of Bar Code Data Collection technology, you should be aware that data collection in general, and bar coding in particular, is one of the best productivity investments your company can make. It is a fact that the entire automated data collection industry exists simply because bar coding makes companies more productive.

*How much difference would a 2% reduction in inventory make to your bottom line?*

*How much does a mis-shipment really cost your business?*

## Reducing Labour Costs

The most obvious cost reduction, and often the easiest to measure is headcount. But can you really reduce headcount? Maybe or maybe not; but Bar Code Data Collection will certainly allow the same number of staff to process a higher volume of inventory transactions, more accurately and in less time. In some cases the reduction in labour costs can be enough to justify the entire data-collection investment. But don't place too much emphasis on this benefit in isolation. Even though this is the

most apparent benefit, it is often overshadowed by the even greater savings that can be realized in other areas.

## Reducing Inventory

Implementing a Bar Code Data Collection system is one of the most effective ways of supporting a drive to reduce inventory levels and save on working capital costs; all without adversely impacting on customer service.

Through increased accuracy of inventory information and its timely availability; all departments in your organization - as well as the suppliers and customers within your supply chain - can depend on your inventory accuracy during their make-buy decision processes.

Safety and buffer stocks can be reduced or eliminated, and reorder points lowered, you may order more or less frequently to suit need rather than constraints in warehousing.

## Reducing Losses Resulting from Data Collection Errors

This benefit often surpasses the savings in labour costs, but can be much more difficult to quantify. We all know that if a significant error is made in shipping to a customer, in the customer's favour, we may never hear about it! But if the error is in your favour, you will hear about it immediately! In most companies, it doesn't take many errors to amount to a great deal of lost revenue, and sometimes lost customers.

## Enabling Lean Operations

The challenge to be lean can present real problems if customer service is adversely affected, in this context bar code data collection should be seen as an enabling technology.

## Improved Management Decision Making

Better Decision-Making – in itself hard to measure – is an important benefit that can result directly from the introduction of a Bar Code Data Collection system. In many cases, since Bar Code Data Collection systems can easily gather information that would be difficult, expensive or impossible to gather in other ways – and gather it as it happens – the opportunities arising for lean operations can be the most significant benefits afforded by their introduction.

Remember, these are just some of the areas where significant savings can be generated by an investment in a Bar Code Data Collection solution.

## Conclusion

The benefits of Bar Code Data Collection stem from the fact they that they streamline the acquisition of data for use in computer based processing, in ways that are automatic, accurate, fast and flexible and involve a degree of identification and input validation. Barcode scanning provides a reliable and fast alternative to traditional methods of data entry.

Since this data can be associated with any item, benefits of barcode scanning can be realized in virtually every sector of industry, commerce and services in which data is gathered for use in computer based systems. Bar code data-collection systems provide enormous operational benefits for just about any business.

- Reduced picking/shipping errors
- Improved inventory count accuracy
- Increased employee productivity
- Reduction and even elimination of warehouse paperwork
- Improved space utilization
- Reduction of physical inventories
- Better workload control
- Improved labour management and reporting
- Better support of electronic commerce
- Ability to better prioritize warehouse activities for preferred customers

Remember bar code data collection systems routinely save companies money!

If you would like to discuss how your business will benefit from a Bar Code Data Collection solution from Neustro Consulting Limited then please contact us at:

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*About the Author: Phil has worked as an ERP consultant for more than 10 years. In that time he has been involved in numerous implementation projects and system optimisation projects. In recent years he has helped and seen many clients benefit from the integration of Bar Code Data Collection solutions.*

*About Neustro: Neustro are the business systems experts - design, implement, manage and support IT for business – from e-mail to ERP. From one-off projects to a complete outsourced service. Neustro are specialists in Microsoft Dynamics AX and Infor Baan.*